

GALARIA CAPITAL MANAGEMENT, INC.

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This brochure provides information about the qualifications and business practices of Ibrahim Galaria (Galaria Capital Management, Inc.). If you have any questions about the contents of this brochure, please contact us at 248-851-7733 and/or galaria-capital@att.net.

The information in this brochure has not been approved or verified by the United States Security and Exchange Commission or by any state securities authority.

Additional information about Galaria Capital Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Ibrahim Galaria is a registered investment adviser. Registered investment adviser means the adviser is registered with the Security and Exchange Commission and/or state securities authority. It is not a designation or degree, and does not imply a certain level of skill or training.

Qualifications:

Ibrahim Galaria has MD, ChFC and AAMS degrees (designations).

MD	=	Doctor of Medicine
		Diplomat, American Board of Surgery
		Certified and Recertified in General Surgery
ChFC	=	Chartered Financial Consultant
AAMS	=	Accredited Asset Management Specialist

2/14/2011

2. MATERIAL CHANGES

Since the last annual update, we have added our new employee, Alzena Saleem, who joined GCM as a registered investment adviser on December 15, 2010.

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4. ADVISORY BUSINESS

- A. Galaria Capital Management, Inc. (GCM) is a financial-investment firm doing business since 1994; serving our clients for 16 years in assets management. Ibrahim Galaria is the president (and shareholder) of this private corporation.
- B. · GCM invests in mutual funds, ETF, stocks, bonds, preferred stocks, sector funds and index funds, retirement income funds.
- Also manage retirement plans (for businesses) like 401K plans, SEP-IRA plans, SIMPLE-IRA plans, pension plans-profit sharing plans; and individual retirement accounts like IRA, Roth IRA. We also do insurance planning (life insurance, whole life, term insurance, disability insurance, long-term care insurance, etc.). We also guide our clients in estate planning with the help of other professionals (attorney, CPA, etc.).
- C. · GCM believes that a good investment strategy leads a client to his/her financial goal. We always work with the client to develop an appropriate investment strategy within the client's financial goals and risk parameters. We use several strategies in various combinations to achieve these goals.
- We also believe in assets allocation (diversification) strategies by investing in growth, value, and balanced mutual funds, foreign investment, sector funds indexes, ETF, preferred stocks, bonds, with different styles and methods like buy & hold, alternate investments, dollar-cost averaging, value averaging, whichever combination is best suited to our client.
- Galaria Capital Management respects the various beliefs and socially conscious standings of our clients and tries to integrate their wishes into the investments. We always try to respect and follow our client's requests, but sometimes it may not be possible to carry out their cultural and/or religious beliefs 100%. We declare this to our clients in a sincere manner; and although we cannot always promise, we always try to fulfill their desires and wishes—and we sincerely pay attention to them.
- D. We do not have wrap fee programs.
- E. As of December 31, 2010, GCM has 39 (thirty-nine) million dollars in clients' assets. We do not have discretionary assets. Fidelity Brokerage Services is the custodian of the assets.

5. FEES AND COMPENSATION

A. GCM fee schedule

- GCM is a fee-for-service business. We receive no commission on stocks or mutual funds, nor do we participate in revenue sharing with any Broker-Dealer firm.
- Advisory fee: one percent for the first million dollars per year/per account
0.75 percent for the second million dollars per year/per account
More than two million dollars is negotiable

- B. · The advisory fee is paid quarterly to GCM at the end of each calendar quarter (or monthly at our option if the assets are more than one million dollars), and are deducted directly from your account. The amount of the fee payment will be calculated by us as listed above.
- The client authorizes Galaria Capital Management, Inc. to deduct a fee for management of an outside retirement account from your individual and/or joint non-retirement account(s) under management of GCM.
 - With the clients' written authorization, GCM deducts its fees from the clients' account(s).

Fee calculation:

- Quarterly: Fees will be calculated quarterly based on the balance in your account at the end of each calendar quarter (total of 4 times a year).
- Monthly: Fees will be deducted monthly based on the balance in your account on the last day of the previous month (total of 12 times a year).
- If the account is terminated prior to the end of your billing period, the fees will be prorated on a per-day basis. After termination of the account, the client agrees to pay any balance within ten (10) business days after receiving the invoice.

- C. · GCM does not charge performance-based advisory fees. The custodian (Fidelity Brokerage Services) may have its own fees and funds (securities) expenses, other transaction costs, which are not included in our advisory fees.
- There may be redemption fees or commissions you would incur at extra cost if the security is sold before a certain restricted time. This may occur if we believe it is in the client's best interest that securities of recent-buying are sold.

- D. We do not charge advance (up-front) money or fees before service is rendered. You pay advisory fees only after service is rendered.

- E. 1. · We may sell or recommend insurance and/or annuity to our clients as appropriate for which GCM and its employee or adviser may earn a commission directly from the

insurance company. Commissions on insurance products and/or annuities are separate from our advisory fees. This commission is above and beyond the advisory fee charges by GCM on a client's account.

- We do all our transactions (whether buying Fidelity or any other Broker-Dealer Funds) through Fidelity Investments (its custodian). This keeps all records and transactions in one place, which will be reflected in your monthly statement.
 - GCM or its adviser does not earn any commission from the sale of any security (mutual fund, stocks, bonds, etc.), either directly or indirectly. We do not accept revenue sharing from any mutual fund company. We usually buy no-load mutual funds (no front-end load or back-end load) to save our clients money. At the same time, GCM or its adviser does not have any incentive to recommend one mutual fund over another—we recommend strictly based on the client's need.
2. The client has the option to purchase investments that we may recommend through other brokers and/or agents not affiliated with GCM.
 3. We charge flat fees, as described in Fees & Compensation Item numbers 5.A. and 5.B. Any commission earned by us by selling an insurance and/or annuity product is above and beyond the advisory fees.
 4. GCM charges its clients an advisory fee for assets under its management, and whenever GCM sells insurance products, it also receives commission directly from the insurance company. This commission is above and beyond the advisory fee. Of course, the client does not have to buy any insurance or insurance product or any annuity through us. The client is free to buy any insurance product or annuity from any company.

6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

GCM, or its adviser, does not charge performance-based fees.

7. TYPES OF CLIENTS

- We provide investment advice to an individual/family, trust, company, employee(s) of the company or retirement plan of the company.
- We do not charge any fee:
 - 1) to open an account
 - 2) or maintain an account, and
 - 3) also, there is no minimum balance requirement

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. We analyze clients' information as follows:

- We gather all information from the client and analyze this information.
- We plan the investment strategy and then implement the strategy after discussing with the client.
- Once we implement the strategy, we monitor the investment.

Investment Strategies:

We use different investment strategies for different clients based on information received from the client, e.g., age, time horizon of investment, risk tolerance, need, financial situation, future goals, etc. We do not apply one strategy for all clients.

Principal Strategy for Investments:

- Assets allocation (diversification) of different styles and types
 - Investing in different sectors like utilities, information technology, health care, natural resources, energy, material, etc.
 - Investment in growth, value funds, blended (mixed) funds, balanced funds, etc. (large, mid or small company).
 - Different categories of bonds like short, intermediate or long-term maturity bonds; high quality or low quality bonds with different allocation strategies.
 - Investing in foreign funds (global).
 - No day trading, no buying of securities on margin.
- B. · Clients should understand that different types of investments have different types of risk—high risk or low risk, but in any case we do not give any guarantees—verbally or written; meaning you may lose your principal (the money you invested).
- Some types of investments, like bonds, have relatively less risk than stocks. At the same time, there is usually less return on the investment. Investing in stocks or a foreign country or region usually has more return with more risk.
 - You should be prepared to bear the risk of loss of principal. It's a good policy to not put all your eggs in one basket—which is why assets allocation and different investment strategies are very important.

C. Please refer to item numbers 8.A. and 8.B.

9. DISCIPLINARY INFORMATION

GCM has no legal or disciplinary events to disclose, specifically:

- A. No criminal or civil action either domestic, foreign or military court of competent jurisdiction.
- B. No administrative proceeding before the SEC, or any other federal regulatory agency, or state regulatory agency, or any foreign financial regulatory authority.
- C. No self-regulatory organization (SRO) proceeding.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. GCM is not a registered Broker-Dealer, and has no application pending to register as a Broker-Dealer.
- B. No employee of GCM has an application pending to register as a futures commission merchant, commodity pool operator, or commodity trading adviser.
- C. GCM has no relationship or arrangement that is material to our business or clients with any of the following, except #6:
 - 1. Broker-Dealer, municipal securities dealer, or government securities dealer or broker.
 - 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” or offshore fund).
 - 3. Any other investment adviser or financial planner.
 - 4. Futures commission merchant, commodity pool operator, or commodity trading adviser.
 - 5. Banking or thrift institution.
 - 6. GCM has a solicitor agreement with an accounting firm. This is disclosed to the client in writing, and acknowledged (signed) by the client at the time of opening a new account.
 - 7. Lawyer or law firm.
 - 8. Insurance company or agency.
 - 9. Pension consultant.
 - 10. Real estate broker or dealer.
 - 11. Sponsor or syndicator of limited partnerships.
- D. GCM does not have a business relationship with any other investment adviser which could create a material conflict.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Our Code of Ethics is written and given to all clients routinely (regardless of request) in the Company Profile Disclosure Form.

- We pledge to place your interest above all else when helping to establish financial goals and implement a financial plan.
- We pledge to follow the latest industry development and legislative challenges to help you chart a steady course of financial security.
- We pledge to adhere to a strict code of ethics.
- We are committed to providing you with superior service.

B. GCM does not recommend to clients, or buy or sell for client accounts, securities in which we have a material financial interest.

C. GCM and our investment adviser may from time-to-time buy securities for our own or our family accounts; and, if appropriate, we may advise purchase of similar securities for your account; as well as securities bought for you, we may also buy for our own accounts, if appropriate. There is no conflict of interest in these transactions, as we receive no material benefit.

D. Whatever security GCM or its adviser buys or sells for our own accounts may and/or may not be bought for our clients, if deemed appropriate. It is also possible that GCM may sell the client's securities and we may buy it, or we may sell securities and buy the same security for the client, if appropriate. In any case, by doing so, we receive no material benefit.

12. BROKERAGE PRACTICES

A. Factors GCM considers in the selection of a Broker-Dealer:

- General reputation
- Financial stability, ability to provide and satisfactorily execute clearance and settlement services, and its responsiveness to instruction
- Security of principal and insurance coverage
- Variety of mutual funds availability with no-load or low load and relatively low expense ratio
- Relatively low or reasonable commission rate
- No or low maintenance fees for account
- Ease of buying other firm's securities
- Good statement report—disclose average cost base of securities, which is helpful to the client when filing a tax return.

1. Research and Other Soft Dollar Benefits

GCM does not receive any soft dollar benefit from its Broker-Dealer or third party in connection with client's security transactions.

- a. No Broker-Dealer pressures GCM to buy their product or service, and we are under no obligation to use their product or service. We make our own decision to buy or sell any product or service from any Broker-Dealer dependent upon the benefit, cost and appropriateness for the client—whichever is best for the client.
- b. GCM is interested in whatever is the best and most cost-efficient product or service for its clients.
- c. We will not compromise the integrity of service to our clients to get a higher commission.
- d. GCM does not receive any soft dollars from any Broker-Dealer, and has not received any product or service from any Broker-Dealer in the last fiscal year.
- e. See 12 A.1.d.
- f. See 12 A.1.d.

2. a. GCM does not receive client referrals from any Broker-Dealer or third party.
- b. We have developed most of our business through our clients' referrals.

3. Directed Brokerage

- a. GCM conducts its business with Fidelity Investments to save money for our clients; no other incentive is involved.

- b. Conducting business with other brokers with whom we have no business relationship is not in the best interest of our clients as business transactions may not be done effectively or cost-efficiently, and may cost the client more money.
- B. We do not aggregate purchase or sale of securities. We buy or sell securities individually for each client, as appropriate. In special circumstances, we may aggregate sell orders for the clients, as we deem best for them, with no conflict of interest.

13. REVIEW OF ACCOUNTS

- A. GCM reviews clients' accounts periodically. Review is done by the investment adviser (president) or the individual in charge of the account. Review varies from once a month or quarterly or annually, or as needed.
- B. Sometimes we review accounts if some specific factors trigger it, such as a financial crisis (as in 2008-09) or very high volatility in the market.
- C.
 - Review includes assets allocation, sectors allocation, global and/or bond investment, modern portfolio theory criteria, detail report of funds expense ratio, percentage of allocation, and risk and comparison with benchmark, etc.
 - All clients receive monthly statements directly from the custodian.

14. CLIENT REFERRALS AND OTHER COMPENSATION

- A. GCM does not give or receive any financial benefit directly or indirectly from third parties providing financial services to its clients. If we give referral fees (solicitor), we will disclose this in writing before starting a new business with the client, and will get written acknowledgement from the client that he/she is aware of this referral fee arrangement. The solicitor may have to register in the state in which they do business.
- B. No referral fee is made to anybody unless it is disclosed in writing and acknowledged by the client in writing.

15. CUSTODY

GCM does not have custody of any account or account funds or securities. All clients receive a monthly statement directly from the custodian (Broker-Dealer or qualified custodian). Clients should carefully review the monthly statement received from the custodian. If you have any questions, need an explanation or find any deficiency or discrepancy, please contact us immediately.

16. INVESTMENT DISCRETION

Each client signs a separate contract with GCM giving trading authority for their respective account(s). No transfer of money—in or out—of your account is done unless authorized (written) by you.

17. VOTING CLIENT SECURITIES

- A. GCM does not take any responsibility for voting on behalf of the client's security. All voting information goes directly to the client from the custodian, and the client makes his/her own decision.
- B. We do not take authority to vote on client securities, as the client makes the decision to vote. The client receives voting information material directly from the custodian or transfer agent. If you have any questions, please contact us.

18. FINANCIAL INFORMATION

- A. GCM does not require prepayment of fees or services (advance payment). Payments are due only after service is rendered, not before.
- B. No advance payment is required. GCM does not have custody of client funds or securities.
- C. GCM has never filed for bankruptcy, and has no pending petition for bankruptcy.

19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

A. Name: Ibrahim Galaria, M.D., ChFC, AAMS

- I, Ibrahim Galaria, am the principal executive officer and have been in the financial business for the last 16 years. I am a Doctor of Medicine and Board Certified and re-certified General Surgeon. At this time (since the year 2000) I have been retired from my medical-surgical practice and devote my full time and attention to this financial business.
- I am also a Chartered Financial Consultant (ChFC) with a degree from the American College, as well as an Accredited Asset Management Specialist (AAMS) with a college degree from College for Financial Planning.
- In addition, I am a licensed builder and licensed real estate agent—these are for my own knowledge only.

B. I am not actively engaged in any business other than the financial investment business.

C. GCM does not charge any performance-based fees.